

AO 91-002



**NORTH CAROLINA BOARD OF ETHICS**

116 WEST JONES STREET  
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K D KENNEDY, JR,  
CHAIRMAN

DECEMBER 18, 1991

THE HONORABLE HARLAN E. BOYLES  
STATE TREASURER  
RALEIGH, NORTH CAROLINA

**REGARDING:** YOUR LETTER RECEIVED ON 12/3/91 RE PEACE  
COLLEGE TRUSTEE

DEAR MR. BOYLES:

WE DO NOT FIND A CONFLICT OF INTEREST BETWEEN YOUR OFFICIAL DUTIES AS STATE TREASURER,  
AND YOUR SERVICE ON THE BOARD OF TRUSTEES OF PEACE COLLEGE.

HOWEVER, SINCE YOU ARE THE STATE TREASURER, IT COULD BE, PERCEIVED THAT PEACE COLLEGE  
WOULD BE IN A "FAVORED STATUS" FOR RECEIVING STATE FUNDS. THEREFORE, WE WOULD CAUTION  
YOU TO TAKE WHATEVER STEPS ARE POSSIBLE TO MINIMIZE THIS PERCEPTION.

FOR YOUR INFORMATION, WE ARE ENCLOSING THE CODE OF ETHICS PUBLISHED BY THE AMERICAN  
SOCIETY FOR PUBLIC ADMINISTRATION.

SINCERELY,

K.D. KENNEDY JR,  
CHAIRMAN

STATE OF NORTH CAROLINA

Department of the Treasurer

HARLAN E. BOYLES  
STATE TREASURER

November 27 , 1991

325 NORTH SALISBURY STREET  
RALEIGH • NORTH CAROLINA 27603-13x8

The North Carolina Board of Ethics  
Administration Building  
116 West Jones Street  
Raleigh, North Carolina 27603-8003

Dear Sir:

In 1989 I was asked to serve on the Board of Trustees of Peace College. In 1991 the General Assembly enacted legislation designed to avoid conflicts of interest in instances involving members of the governing body of the recipients of State funds and officials who disburse said funds. I refer you to Chapter 689, Section 13 of the Session Laws of 1991.

While I have not encountered any particular circumstances that would appear to conflict with my duties as State Treasurer and my serving on the Board of Trustees of Peace College, I would appreciate your advice regarding the appropriateness of my continuing to serve on the Board of Trustees. I am not aware of the extent to which other State officeholders serve on independent college boards, thus I have no feel for what may be an acceptable practice in State government.

Your early response will be greatly appreciated.

Sincerely,

Harlan E. Boyles  
State Treasurer

HEB/fms

P.S.: See attachment.

PEACE COLLEGE  
POLICY ON CONFLICT OF INTEREST

WHEREAS, 1991 N.C. Session **Laws Chapter 689**, sec. 13 requires each private, nonprofit entity eligible to receive State funds to have a policy which addresses conflicts of interest that may arise when members of its governing body or its managing employees are involved in the disbursement of State funds; and to file with the agency that disburses State funds to the entity a notarized copy of its conflict of interest policy before any State funds can be disbursed to the entity; and

WHEREAS, Peace College desires to require its trustees and managing employees to avoid conflicts of interest or the appearance of impropriety in the disbursement of State funds;

NOW THEREFORE, no member of the board of trustees or managing employee of Peace College shall participate in the solicitation, negotiation, formation, award, arbitration, modification, or settlement of any contract or grant funded in whole or in part by State funds or of any dispute arising under such contract or grant when the trustee or managing employee stands to benefit, either directly or indirectly, from such contract or grant;

PROVIDED, no trustee or managing employee shall be deemed to benefit directly or indirectly from any contract or grant funded in whole or in part by State funds unless that person is party to the contract or grant or could receive a commission on the contract or is an owner, partner, director, officer, or 10% shareholder of the contracting party or the recipient of the grant;

PROVIDED FURTHER, that no trustee or **managing employee shall** be deemed to benefit directly or indirectly from a contract or grant funded in whole or in part by State funds if he or she receives only the salary or stipend due to him or her in the normal course of employment with or service to Peace College.